

The Order indicates that the Commission's concern for advertised rates stems from the 1992 Cable Act provisions authorizing a cable operator to itemize the franchise fee in the subscriber's bill.³⁷ However, as the Commission recognizes, subscriber bill itemization is intended to make subscribers more aware of the

including taxes.³⁹ Nor is there any reason to believe that Congress meant to prohibit cable television operators from utilizing this generally accepted marketing custom. Since the public interest concerns of the subscriber itemization provision do not support the restriction on advertising, the efficiencies gained from system-wide advertising and marketing dictate that the Commission reconsider this issue.

To put these concerns into a real-life context, the system operated by Newhouse in the Carthage, New York area offers a good example of the unnecessary burdens of requiring community-specific worksheets and advertising. This single system serves approximately 12,500 subscribers in 32 franchised communities. Each community served offers the same service and charges the same rate exclusive of franchise fees. Under the Commission's current rules, Newhouse will be required to prepare and submit separate worksheets for all communities that charge different franchise fees and for each community that will not give its consent to a system-wide approach. Given that some of the communities served have under 100 subscribers, requiring separate worksheets would be preposterous in this context.⁴⁰ The

³⁹At very most, a simple requirement that advertising for cable rates carry the notation "plus taxes" should be sufficient to protect consumers.

⁴⁰Newhouse notes that a community-by-community approach is likely to multiply the administrative burden of the Commission, as well. In the Carthage system, subscribers from the 32 communities may file rate complaints, which would require the
(continued...)

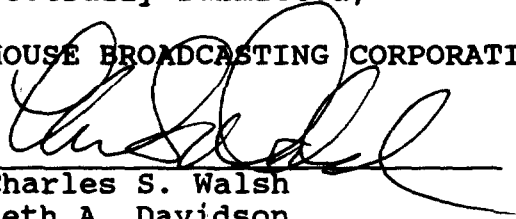
Commission's rules also would require that Newhouse's system-wide advertising separately indicate the prices for each community that imposes a different franchise fee. It is difficult to see how subscribers will be better off and how rates will be more reasonable under such requirements; what is clear is the subscriber confusion, the needless paperwork, and the duplicitous

respectfully urges the Commission to modify its rules in
accordance with the foregoing arguments.

Respectfully submitted,

NEWHOUSE BROADCASTING CORPORATION

By:


Charles S. Walsh
Seth A. Davidson
Mark J. O'Connor

Its Attorneys